MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2015/2016

DFA5058 – FINANCIAL ACCOUNTING

(For Diploma Students Only)

1 JUNE 2016
2.30 pm – 4.30 pm
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **6** pages with **4** questions.
2. Answer **ALL** questions.
3. Write your answers in the answer booklet provided.

QUESTION 1

PART A

For the accounts listed below, indicate if the amount increases in balance of the following account is a debit or credit.

	Accounts	Increase Balance Debit or Credit
1.	Machine	
2.	Rent Received	
3.	Note Payable	
4.	Cash at Bank	
5.	Transport Expenses	
6.	Supplies	
7.	Owner's Capital	
8.	Account Payables	
9.	Accruals	
10.	Account Receivable	

(5 marks)

PART B

Below is the adjusted account balances for Michisaru Sdn Bhd as of January 31, 2015.

	RM
Cash	10,855
Bank	45,200
Unearned Revenue	14,000
Building	125,000
Motor Vehicle	45,000
Supplies	11,888
Accrued Insurance	1,250
Note Payable	5,500
Account Payable	7,700
Michi, Capital	150,000
Michi, Drawing	1,105
Service Revenue	346,513
Rent received	20,500
Purchase Merchandise	284,750
Utility Expense	1,550
Salary Expense	12,000
Insurance Expense	5,600
Rent Expense	2,515

Continued...

Instructions

(a) Prepare the closing entries. (6.5 marks)
(b) Post entries to Michi, Capital and Income Summary. (7 marks)
(c) Prepare a post-closing trial balance at January 31, 2015. (6.5 marks)

[TOTAL 25 MARKS]

QUESTION 2

PART A

Listed below are several statements that relate to financial accounting and reporting. Match the correct term with the descriptive statement below.

Historical cost
Economic entity
Going concern assumption
Monetary unit assumption
Periodicity
Materiality

1. Puteri Harbour was facing a continuous profit drop approximately 20% for the past three years. The accountant accumulated the profits and carried forward to next financial year.
2. Mike is one of the owners of Tee and Kee Enterprise. He withdrews a sum of RM20,000 from the business in which was taken up into drawing account.
3. Estrada Hotel recognized its service revenue up to 30 September every year.
4. Due to economy downturn, Alex faced price decrease on its business properties. However, he insists that the properties should be valued at cost.
5. Saadiah discovered that the petty cash is short by RM0.50 comparing to the records. She treated the differences as miscellaneous expenses.
6. Even though Muthu has been hired as sales supervisor, the clerk claims that his salary should be computed and recorded into the bookkeeping from the day he starts to work.

(6 marks)

Continued...

PART B

The draft trial balance of Julie Fast Servicing, logistic firm, at March 31, 2015 and the related month end adjustment data is as follows:

Julie Fast Servicing
Trial Balance
March 31, 2015

Accounts	Debit (RM)	Credit (RM)
Cash	1,355	
Account receivable	124,075	
Prepaid rent	1,600	
Supplies	1,093	
Service Revenue		128,000
Motor vehicles	35,800	
Accumulated depreciation		28,640
Account payable		15,350
Julie, capital		12,000
Julie, drawing	650	
Salary expense	12,000	
Rent Expense	2,200	
Utilities expense	2,567	
Insurance expense	2,650	
	RM183,990	**RM183,990**

Adjustment data:

1. Depreciation on motor vehicle for the month is omitted. The depreciation rate is 15% per annum. (Answer in round figure)
2. Supplies on hand at 31 April, RM 443 advanced.
3. Office rental was paid in advance for eight months. The rental expense for month of March has not taken up into account.
4. Julie receive a bill for stationery on 31 March amounted RM 900.
5. Received 25% cash from customer on service to be performed next month. The service revenue was estimated RM5,000.
6. Insurance expense paid overstated twice into the account.

Instructions

(a) Prepare the adjusting entries for Julie Fast Servicing at 31 March 2015. (6 marks)
(b) Prepare the Adjusted Trial Balance as at 31 March 2015. (13 marks)

[TOTAL 25 MARKS]

Continued...

QUESTION 3

PART A

Given is the Statement of Financial Position for Cynthia Wholesales Berhad as at 30 June:

Cynthia Wholesales Berhad
Statement of Financial Position as at 30 June

	2015		2014	
	RM	**RM**	**RM**	**RM**
Asset				
Current asset				
Bank	77,540		65,881	
Short term investment	925,560		872,566	
Receivables (net)	112,289		133,225	
Inventories	12,369	1,127,758	11,170	1,082,842
Property, plant and equipment				
Land and building	1,500,000		1,500,000	
Machinery and equipment (net)	12,236	1,512,236	13,356	1,513,356
		2,639,994		2,596,198
Liabilities and stockholders' equity				
Current liabilities				
Account payable	156,210		174,480	
Accrued expenses	1,518	157,728	955	175,435
Long term liability				
Note payable		1,012,053		1335841
Shareholders' equity				
Retained earning		1,470,213		1,084,922
		2,639,994		2,596,198

Other informations:
Provide with Net credit sales= RM225,780, Cost of goods sold = RM87,500 and Net income = RM397,290

Instructions
(a) Compute the following ratios for Year 2015:
  (i) Current ratio
  (ii) Acid test ratio
  (iii) Return on assets
  (iv) Inventory turnover for year
  (v) Account Receivable Turnover (10 marks)

Continued...

(b) Provide vertical analysis on Statement of Financial Position for Year 2015.
(5 marks)

PART B

Below is the information data on Textile Trading Company on 31 December 2015.

	RM
Administrative expense	128,750
Cost of goods sold	14,112,500
Interest expense	5,758
Loss on sale of machines	1,668
Selling expense	2,963,450
Rent revenue	115,000
Net sales	20,154,965

Instruction
Prepare a multiple-step Statement of Comprehensive Income. Show all your workings.
(10 marks)

[TOTAL 25 MARKS]

QUESTION 4

PART A

(a) List and explain the **SIX** internal controls for cash receipt. (12 marks)
(b) i. Explain the meaning of comparability and consistency to an enterprise. (3 marks)
ii. What are the TWO criterias to ensure the information are comparable. (2 marks)

PART B

On 31 August 2015, Simsons Company had a cash balance per books of RM5,675. The bank statement from Maybank Berhad on that date showed a balance of RM6,050. A comparison of the statement with the Cash account revealed the following facts.

1. The statement included a debit memo of RM100 for the printing of additional company cheques.
2. Cash sales of RM225.50 on August 12 were deposited in the bank. The cash sales amount was wrongly stated in the account book for RM255.50.
3. Deposits in transit were RM2,456.00.
4. On August 16, the company issued cheque No. 558790 for RM1,785 to Ganesh Mart on account. The cheque which cleared the bank in August but was incorrectly stated in the bank statement for RM1,744.
5. Simson has informed the error to the bank and the bank promised to amend it.

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6. A RM2,100 note receivable was collected by the bank for Simsons Company on August 31 plus RM60 interest. The bank charged a collection fee of RM30. No interest has been accrued on the note.
7. Cheque received by Xerox Photocopy Shop amounted RM510 was bank in on August 22 was cancelled by the bank.
8. On August 31, the followings are the cheque numbers yet debited into the account:

Outstanding cheque numbers:	Amount (RM)
558795	375.00
558798	550.00
558779	225.00
558780	150.00

Instruction

Prepare the bank reconciliation at 31 August 2015. (8 marks)

[TOTAL 25 MARKS]

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